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First of all, I want to say thank you to each and every one of you. I have worked closely with your counterparts in other states and know what they go through. Your job is a difficult one, especially with respect to medical cannabis, and your efforts are much appreciated.

My name is Patrick Vo and I am the Chief Executive Officer of BioTrackTHC. We are a software company, headquartered in Fort Lauderdale, Florida and we have been serving the authorized cannabis industry for over six years, making us one of the oldest and most experienced technology companies in this space. Our guiding principles are simple: build robust software that brings transparency, and therefore accountability, to the cannabis product lifecycle for the good of both patients and the authorized businesses: to make sure that cannabis gets into the hands of those for whom it is intended and stays out of the hands for those whom it is not intended; to make sure that authorized businesses that are good actors have the tools to be successful and those who are bad actors are quickly filtered out of the industry.

We have two software solutions that are actively used today, both specifically to track cannabis: the first is our private sector cannabis inventory management system. This system is actively used by over 1,400 authorized marijuana grows and dispensaries to run their businesses, keep their employees accountable, and to maintain proper record keeping. Our second software system is a centralized government cannabis tracking system that aggregates seed-to-sale data into one place so that government agencies and law enforcement have access to cannabis production, testing, transportation, destruction, and sales data; empowering the government with real-time visibility over every plant and every gram of authorized cannabis in the production lifecycle within the state. We are the only company that has emerged as the winner of four cannabis government contracts: Washington State, New Mexico, Illinois, and New York. The Washington State system is battle tested, having successfully tracked over 1.2 million registered plants and \$110 million in excise taxes to the state since its March 2014 implementation, and it is currently tracking \$60 million in cannabis transactions per month... on pace to track \$1 Billion cannabis transactions over the next twelve months. Last week, we implemented the State of New Mexico's medical cannabis tracking system, and this week, we are implementing the State of Illinois' medical cannabis tracking system.

As of today, BioTrackTHC stands alone as the only cannabis-specialized technology company that has successfully deployed cannabis technology solutions to both government agencies and the private sector. This private sector experience is important because the hands-on knowledge gained from providing commercial cannabis seed-to-sale solutions is critical to designing an informed government tracking system. It ensures that

*Robust*

*Feature-Rich*

*Secure*

the government solution is informed by industry best practices, challenges, and relevant innovations as opposed to being developed in an uninformed bubble.

As I'm certain most here are aware, the Department of Justice issued a memo in August 2013, and that memo indicates that a strong state tracking system is key to satisfying their guidance.

"In jurisdictions that have enacted laws legalizing marijuana in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale, and possession of marijuana,... we will leave you alone."

"If state enforcement efforts are not sufficiently robust, the federal government may seek to challenge the regulatory structure itself in addition to continuing to bring individual enforcement actions, including criminal prosecutions."

Our primary concern is the long-term viability of this industry from coast to coast. For cannabis to succeed, patients need to have the peace of mind in knowing the products they purchase are safe for consumption; businesses owners who no longer wish to be perceived as barely legal drug dealers need to have ways to show themselves to be good actors, credible businesses with a legitimate product; and government agencies need to have the tools to effectively do their jobs in monitoring industry activity, collecting taxes, and enforcing law.

It is in everyone's best interest, regardless of how you personally feel about cannabis, to provide the most robust tracking system to keep state-authorized product from being diverted to the black market, that black market product is not being inverted into the regulated industry, and that the medicine being purchased has in fact passed the requisite testing and is safe for consumption. There needs to be a unified platform that allows for the easy collection of marijuana production and sales data to create this healthy environment.

Seed-to-sale cannabis state tracking systems like what has been implemented in State of Washington are incredibly effective tools. Every plant, every fraction of a gram, is visible to the state in real-time. All marijuana can be forward traced from seed-to-sale and backwards traced from sale-to-seed. Independent laboratory test results are visible in real time. Wholesale product cannot be shipped without a standardized and electronically filed shipping manifest to the department, and the system blocks the generation of a manifest if the product either fails laboratory testing or does not have laboratory testing results. If a

cultivator's dry-to-wet ratios are outside of a reasonable range, it can be flagged for further investigation.

I can go on about the value of having that tracking data digitally submitted to the state in real-time, enabling the state to be proactive in ensuring compliance and to hold provisioning facilities transparent, and therefore accountable, for the source and whereabouts of their product and their dispensing activities.

We would like to see the passage of this bill, empowering the state to implement a centralized tracking system to which provisioning facilities are required to report their inventory data and to which testing labs report testing results, so that the state can efficiently invest its resources in wielding quality and insightful data to enforce the rules and ensure that our state can continue to provide this desperately needed medicine without federal interference.

Patients shouldn't have to worry about the safety of their state authorized product. Legitimate business owners are tired of being vilified and clumped in with the drug dealer crowd. Law enforcement is tired of being hamstrung by not having useful data to do their jobs.

We want to make sure that everyone is successful: product gets to the patients for whom it is intended, safely and effectively, while preventing it from being diverted to those for whom it is not intended; that legitimate businesses can do business out of the shadows; and that law enforcement has the tools necessary to do their jobs.

Medical cannabis is in statute and is a reality in Michigan. The question is no longer, "Am I for cannabis or against it?" The question now is, "Do we stick with the status quo, or do we put together a strong foundation for a healthy and well-run industry?" I think we are all in agreement that the status quo is not a tenable solution. It is my hope that Michigan will shake off its "wild west of marijuana" reputation and be another example to on-the-fencers around the country that healthy and successful cannabis industries are possible.